

# ***EIA Short-Term Energy and Winter Fuels Outlook***

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***U.S. average fuel expenditures are expected to be higher for all fuels this winter (October – March).***

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Fuel	Average Household Expenditures Percent Change from Last Winter		
	Base Case	If 10% Warmer Than Forecast	If 10% Colder Than Forecast
Natural Gas	9.5	-1.7	20.3
Heating Oil	21.8	9.8	31.6
Propane	16.3	4.3	27.7
Electricity	3.9	-1.3	7.2
Average Expenditures	9.8	0.1	18.4

Winter = October 1 through March 31.

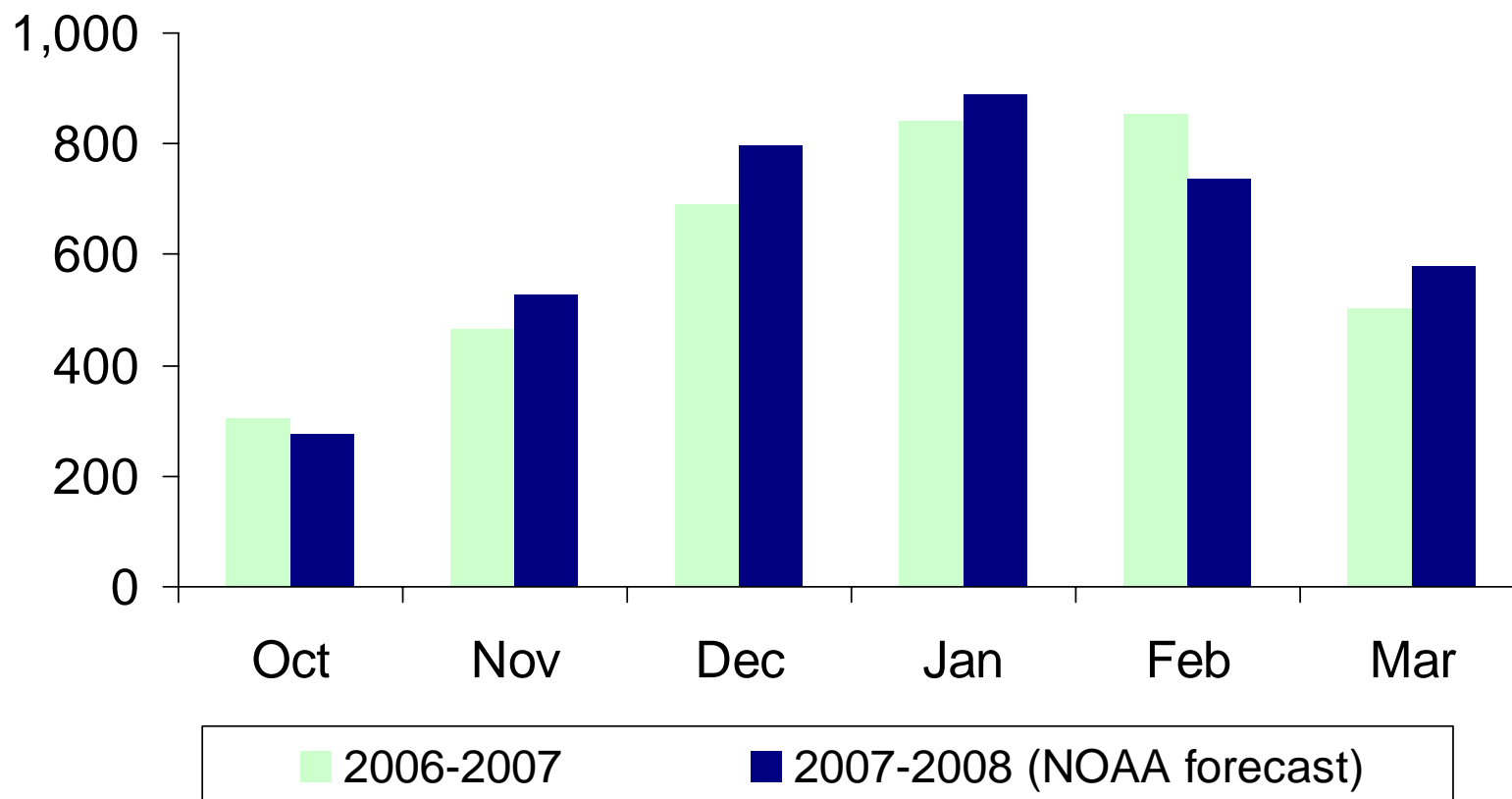
Expenditures are based on typical per household consumption adjusted for weather.

Warmer and colder cases represent 10-percent decrease or 10-percent increase in heating degree-days, respectively.

***Winter 2007-08 is expected to be 4 % colder than 2006-07, but still 2 % warmer than 30-year average.***

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## U.S. Heating Degree-Days Population-Weighted



# *Natural gas prices are expected to be higher than last winter.*

## Henry Hub Winter Average Spot Price

**10% Colder = \$8.71/ mcf**

**Base Case = \$7.79/ mcf**

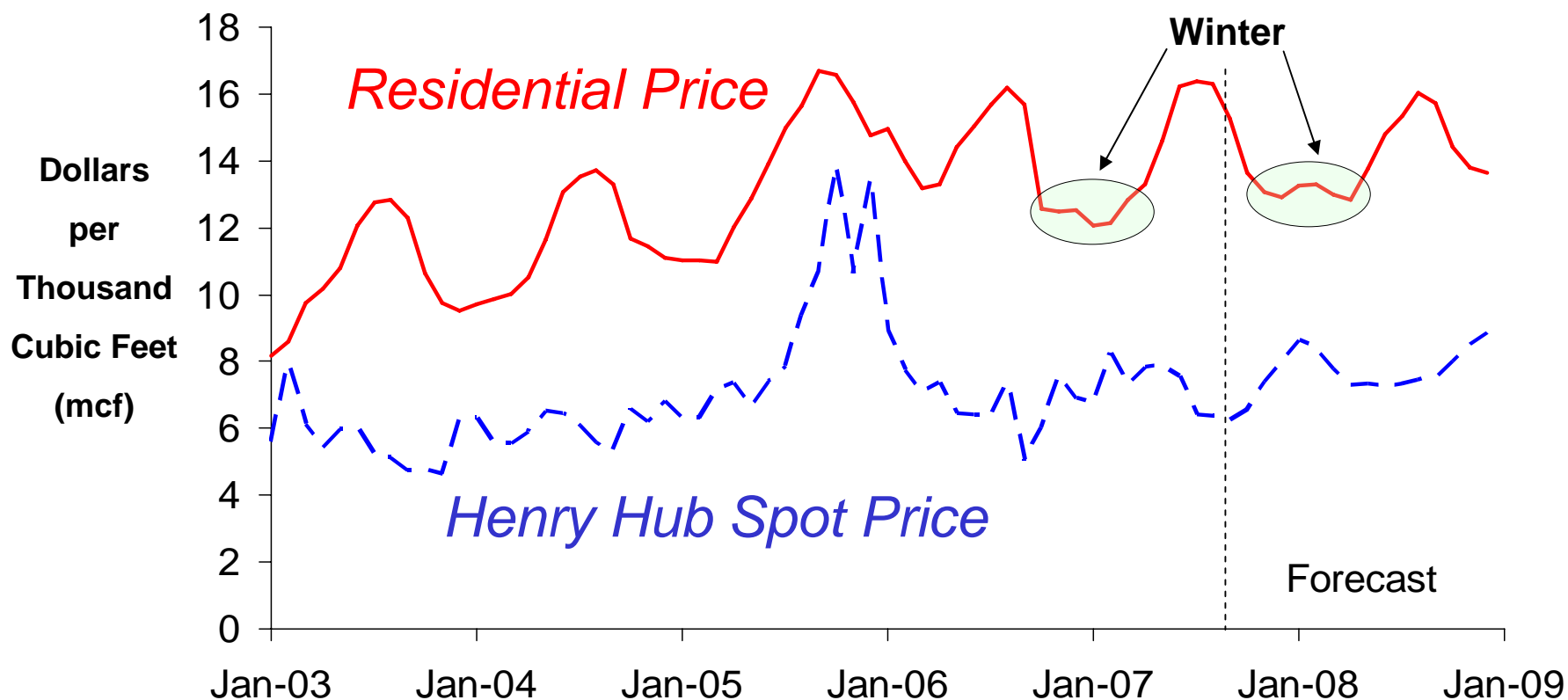
**10% Warmer = \$7.05/ mcf**

## Residential Winter Average Price

**10% Colder = \$13.53/ mcf**

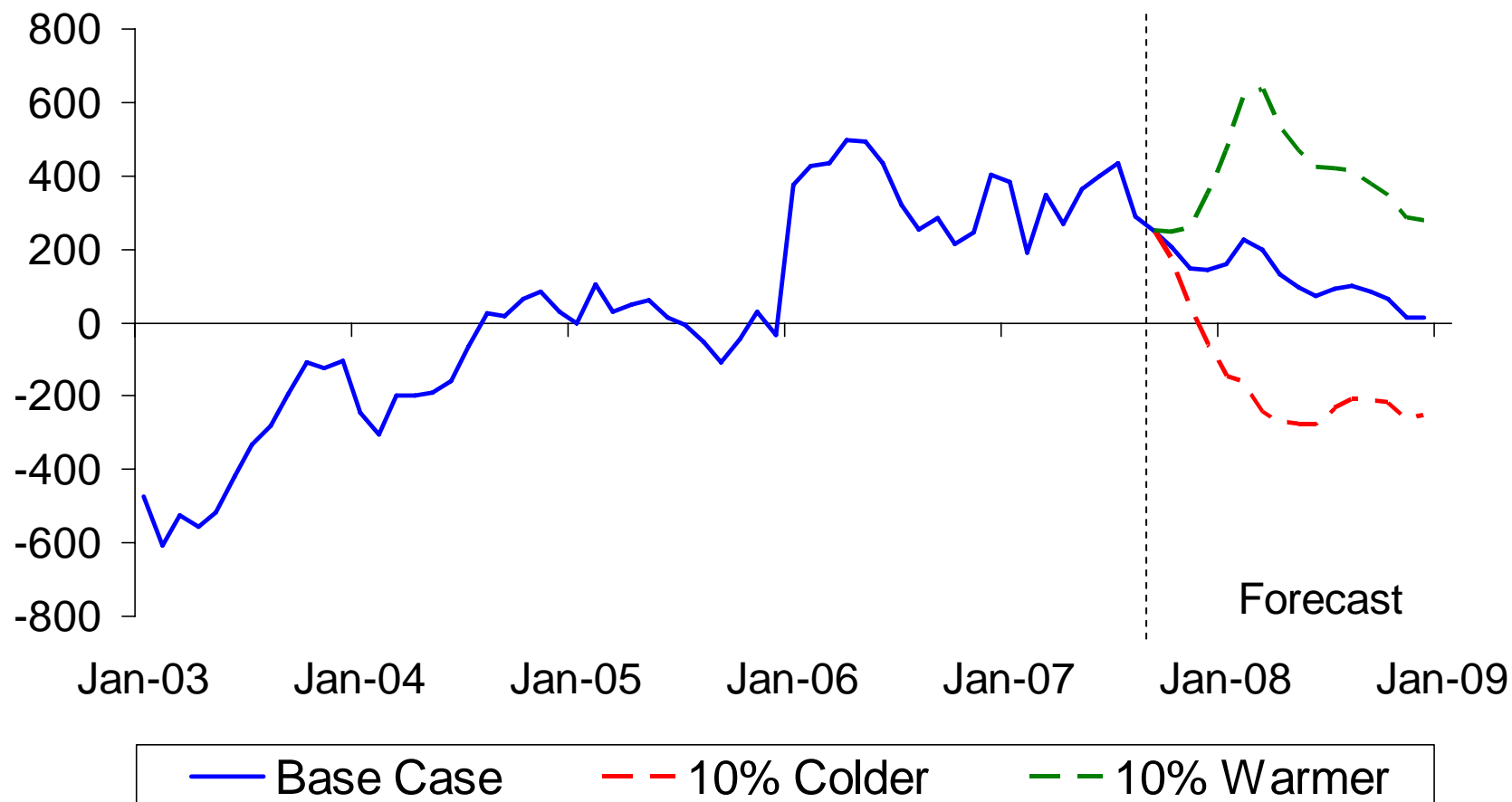
**Base Case = \$13.14/ mcf**

**10% Warmer = \$12.87/ mcf**



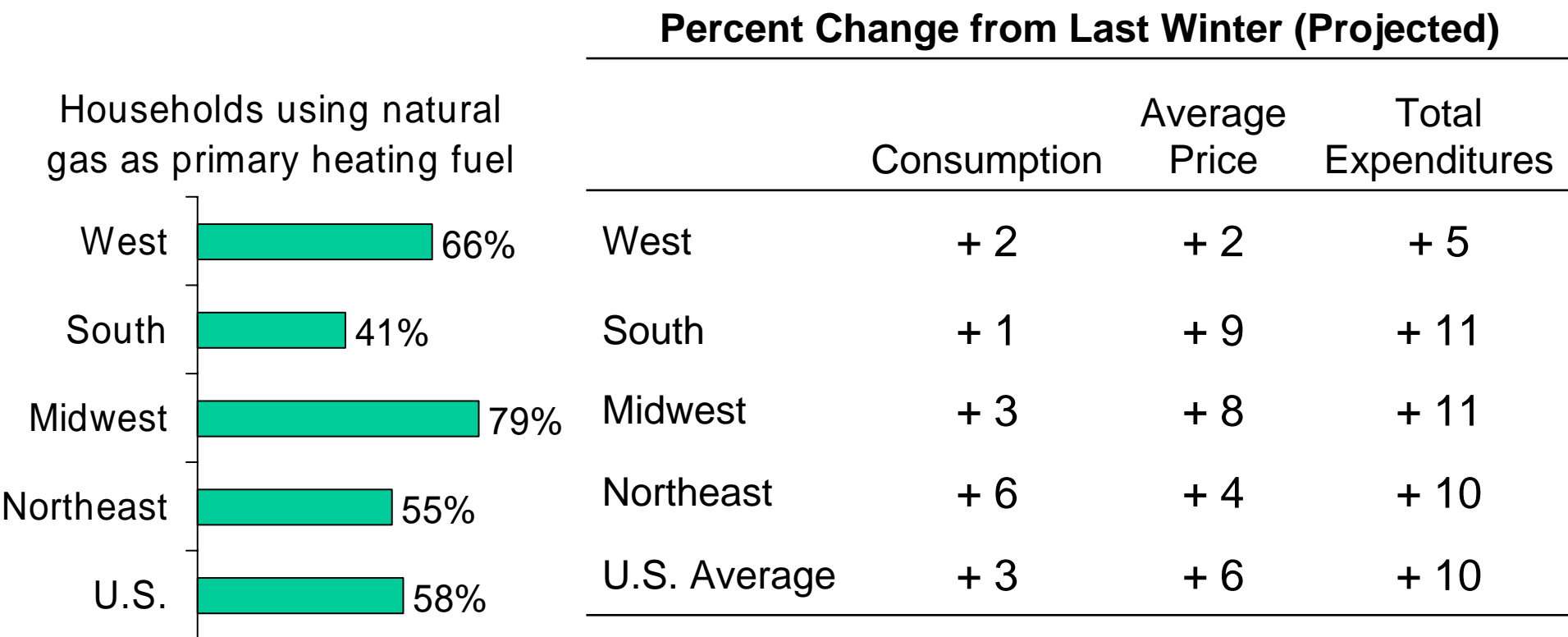
# *U.S. natural gas in storage is projected to remain above historical averages.*

## Deviation from 5-year Average, Billion Cubic Feet



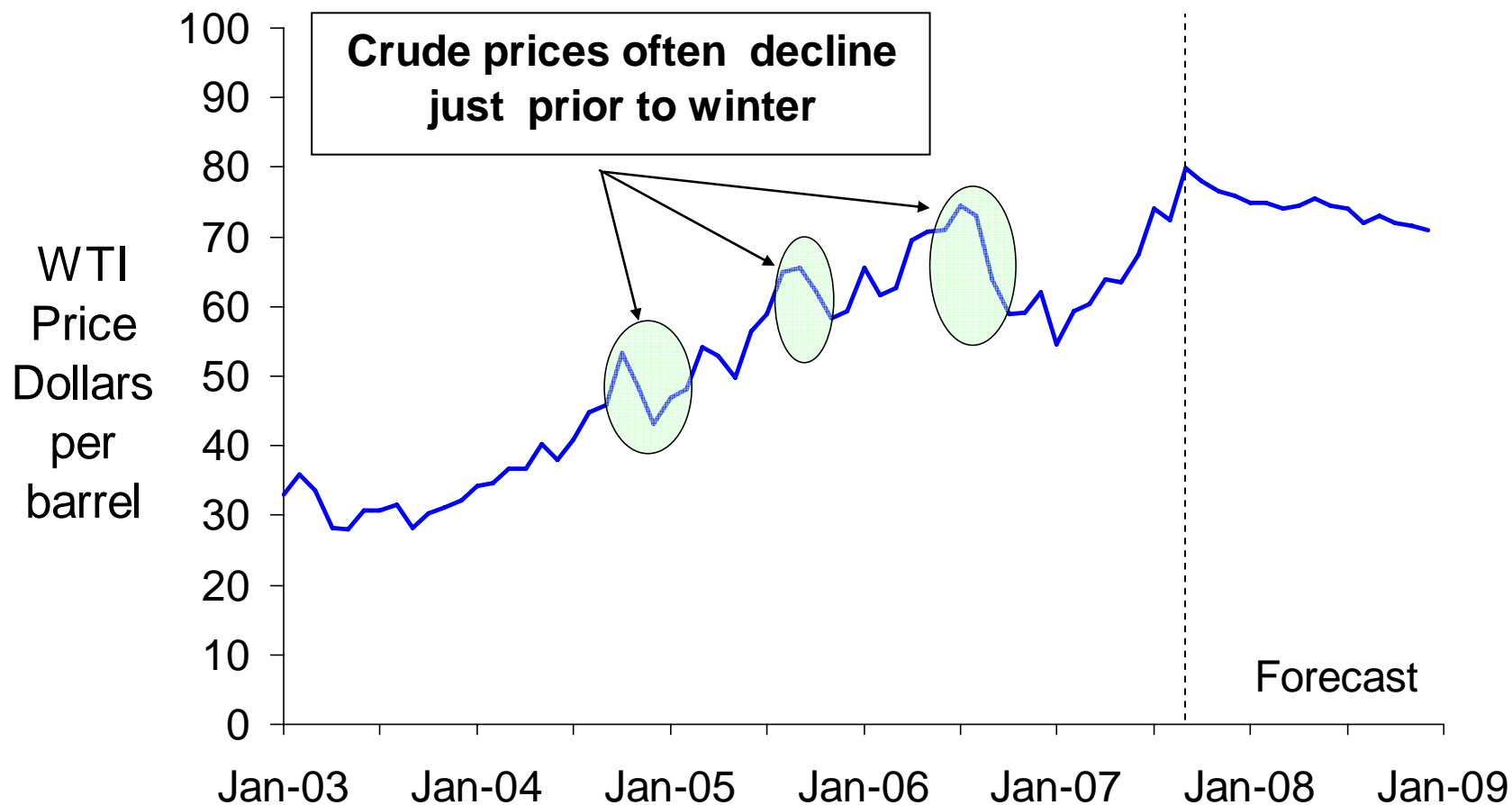
# *Natural gas heating bills are projected to be higher for all regions this winter.*

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***Crude oil prices, having recently exceeded \$80 per barrel, are projected to decline slowly over the forecast.***

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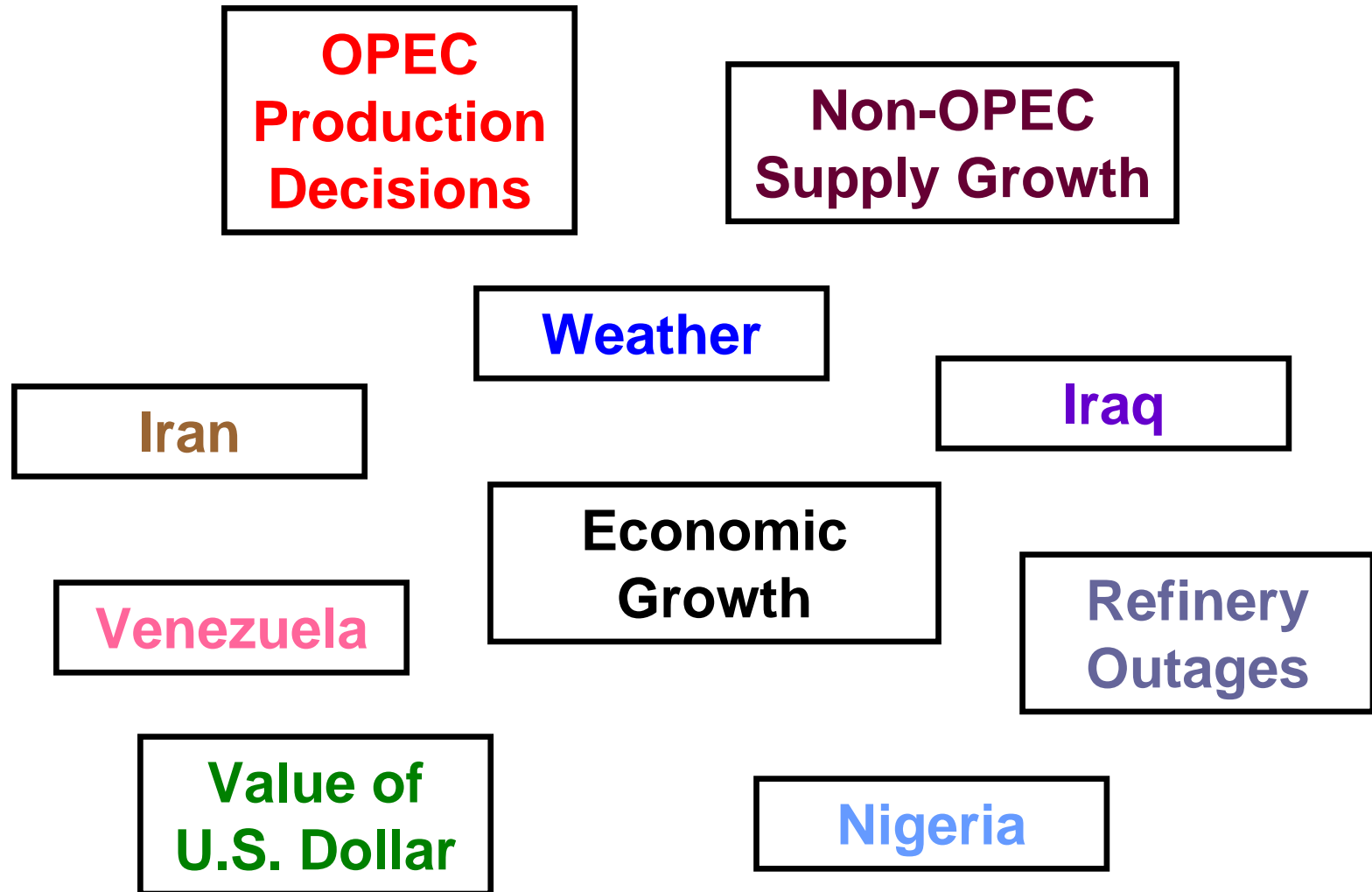
WTI = West Texas Intermediate crude oil.

Short-Term Energy Outlook, October 2007



# *Multiple and hard-to-predict uncertainties drive the oil market forecast*

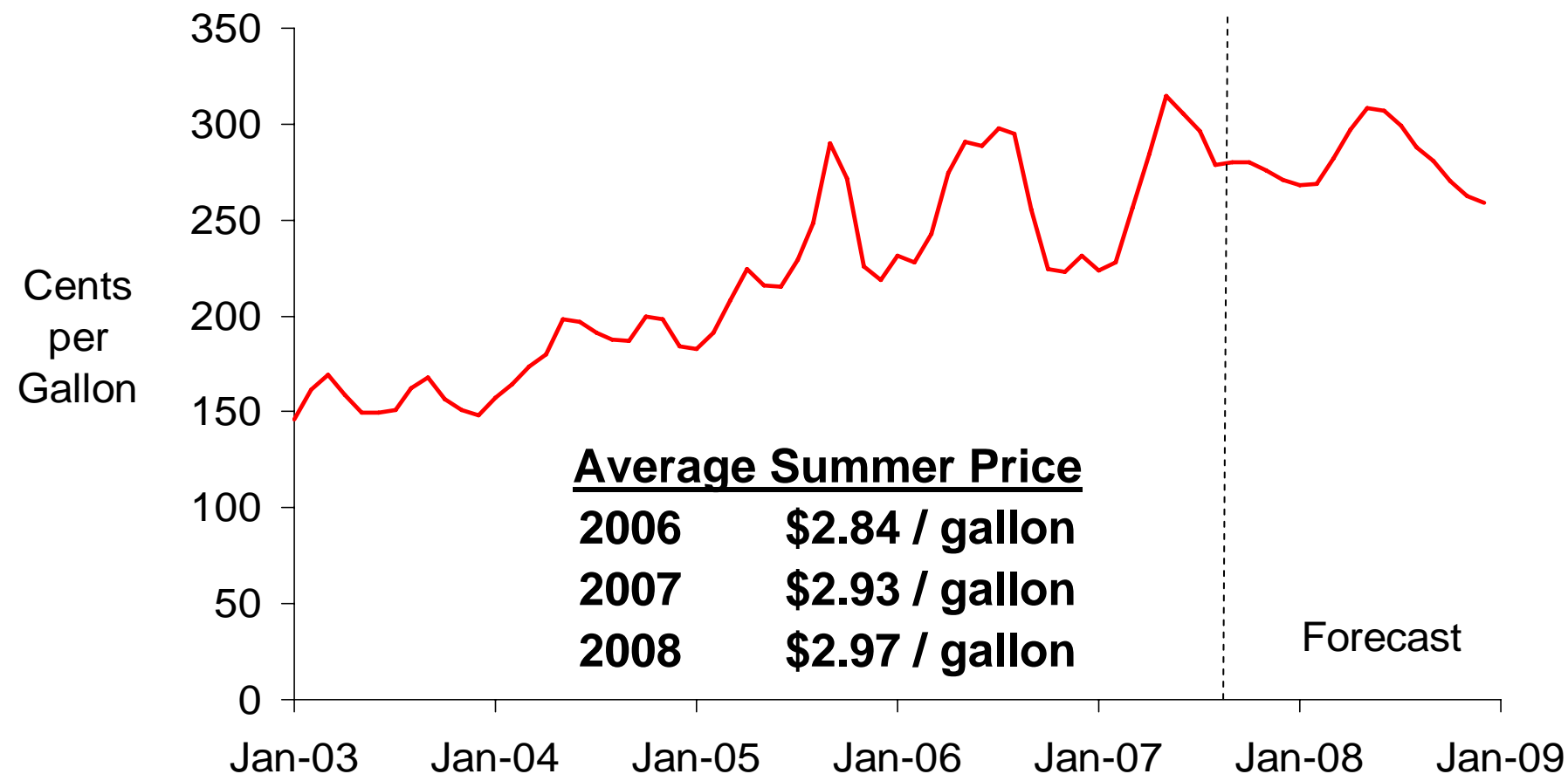
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# ***Retail gasoline prices are projected to be higher in 2008.***

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Summer = April 1 through September 30.  
Short-Term Energy Outlook, October 2007



***Retail heating oil prices are projected to average about 40 cents per gallon higher than last winter.***

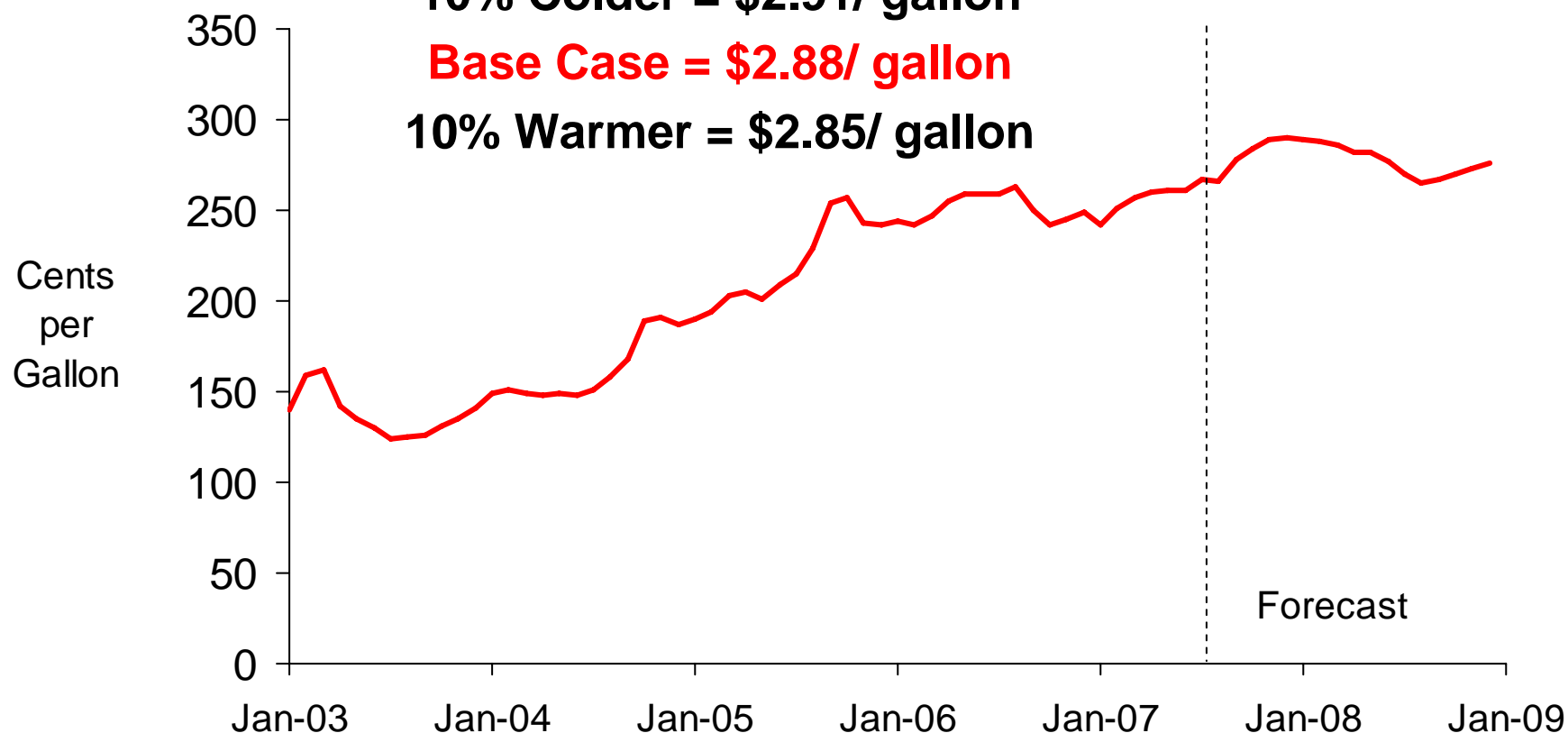
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**October 2007 – March 2008 Averages**

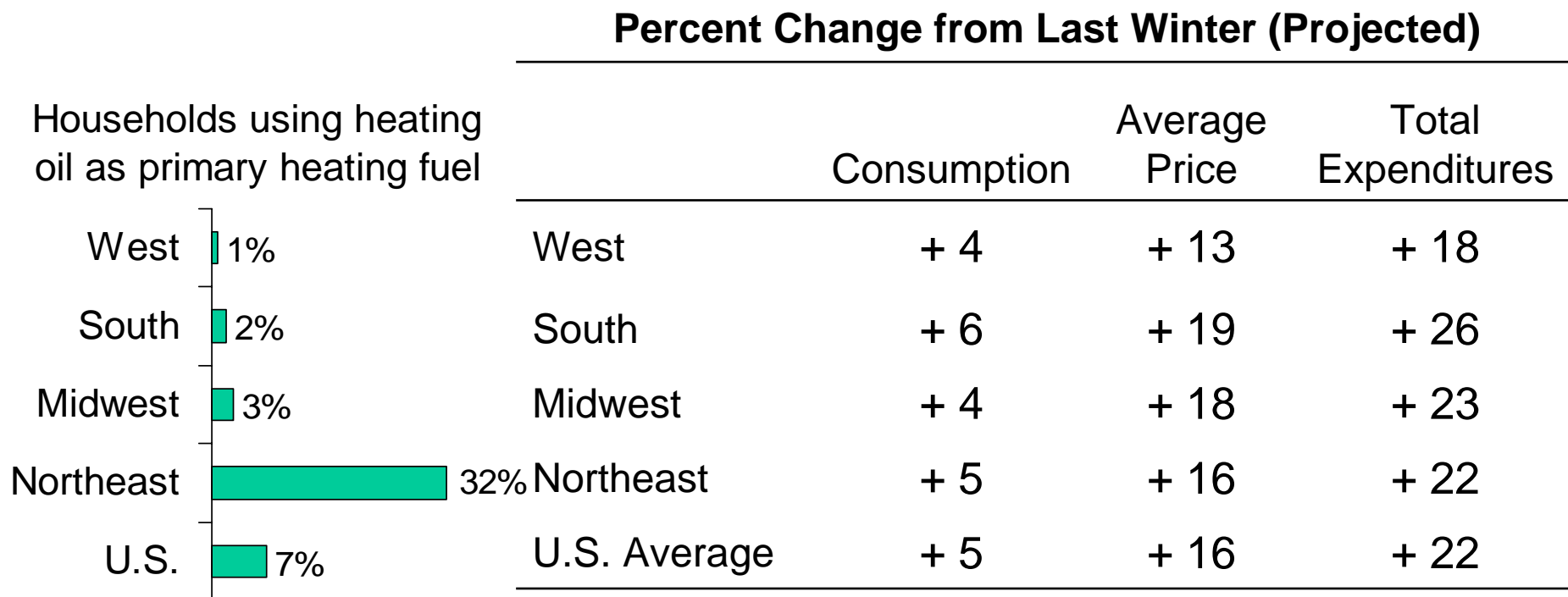
**10% Colder = \$2.91/ gallon**

**Base Case = \$2.88/ gallon**

**10% Warmer = \$2.85/ gallon**

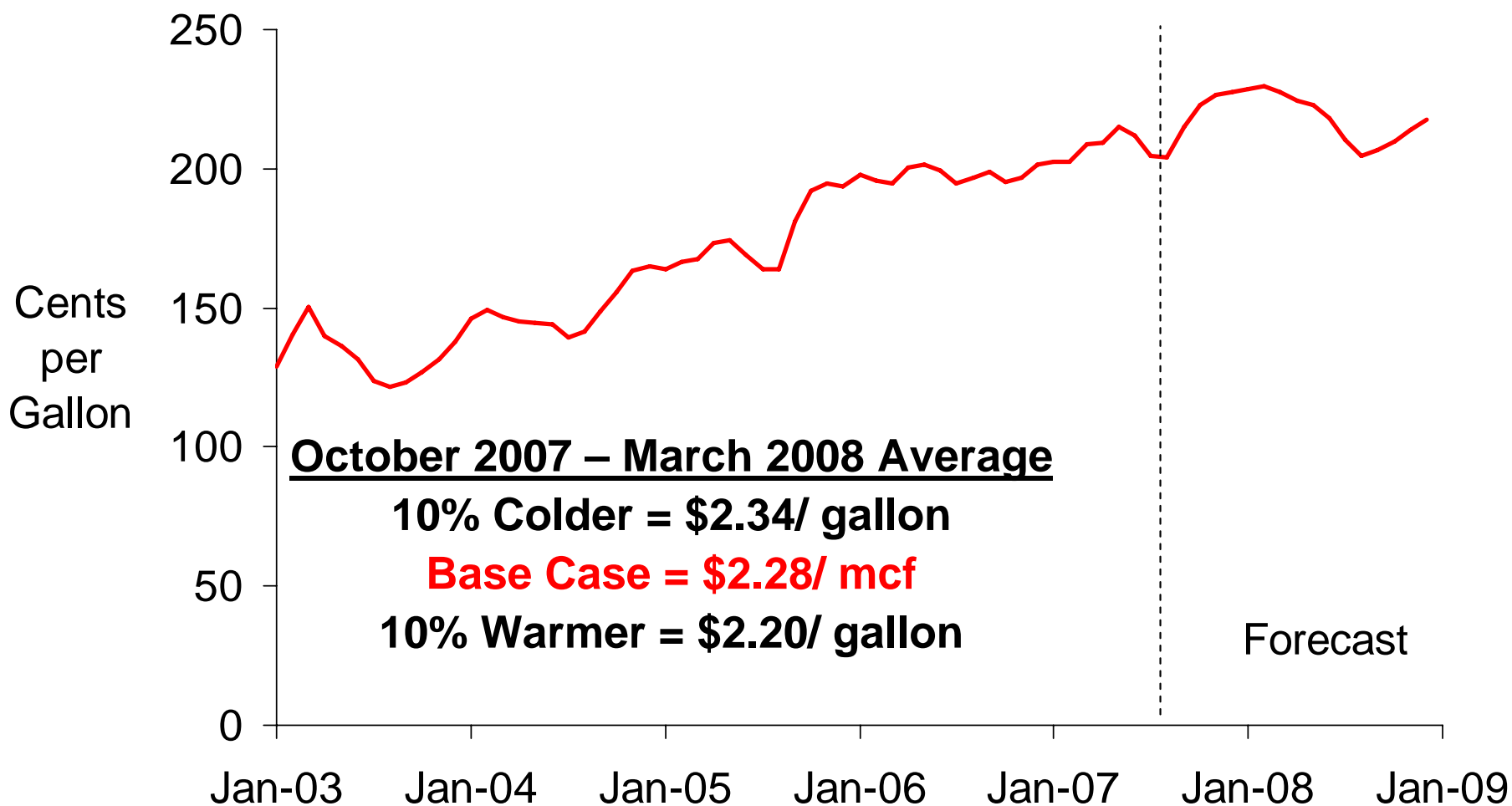


## ***U.S. winter heating oil expenditures projected to increase for all regions.***



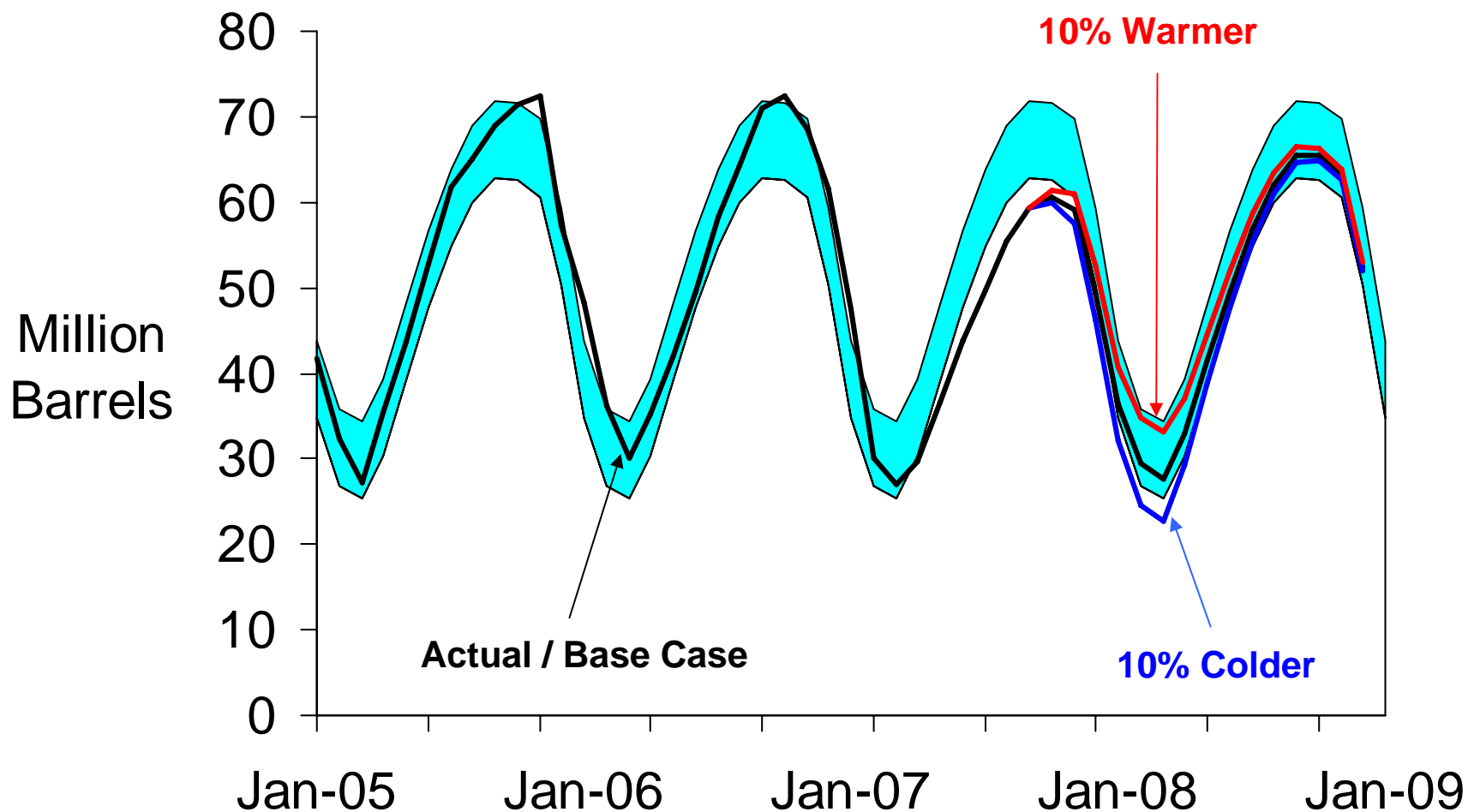
***Residential propane prices are expected to average about 23 cents per gallon higher than last winter.***

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## *Propane inventories are low.*

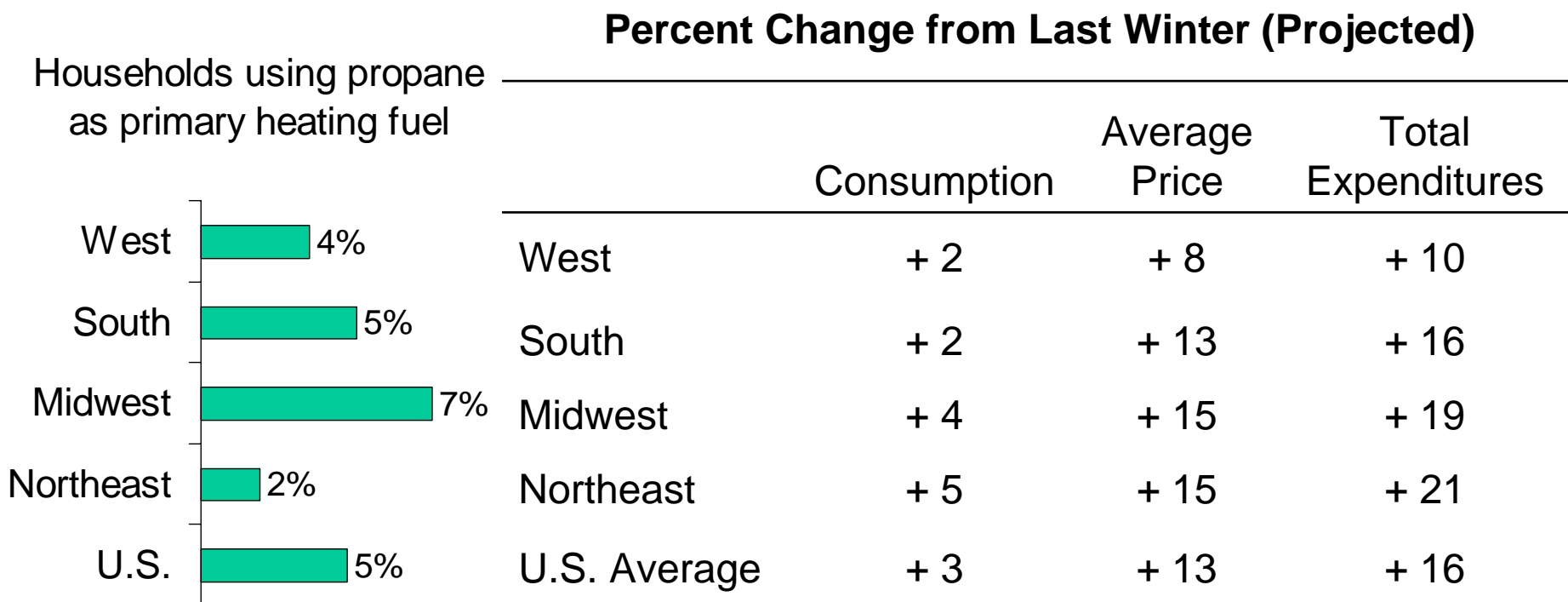
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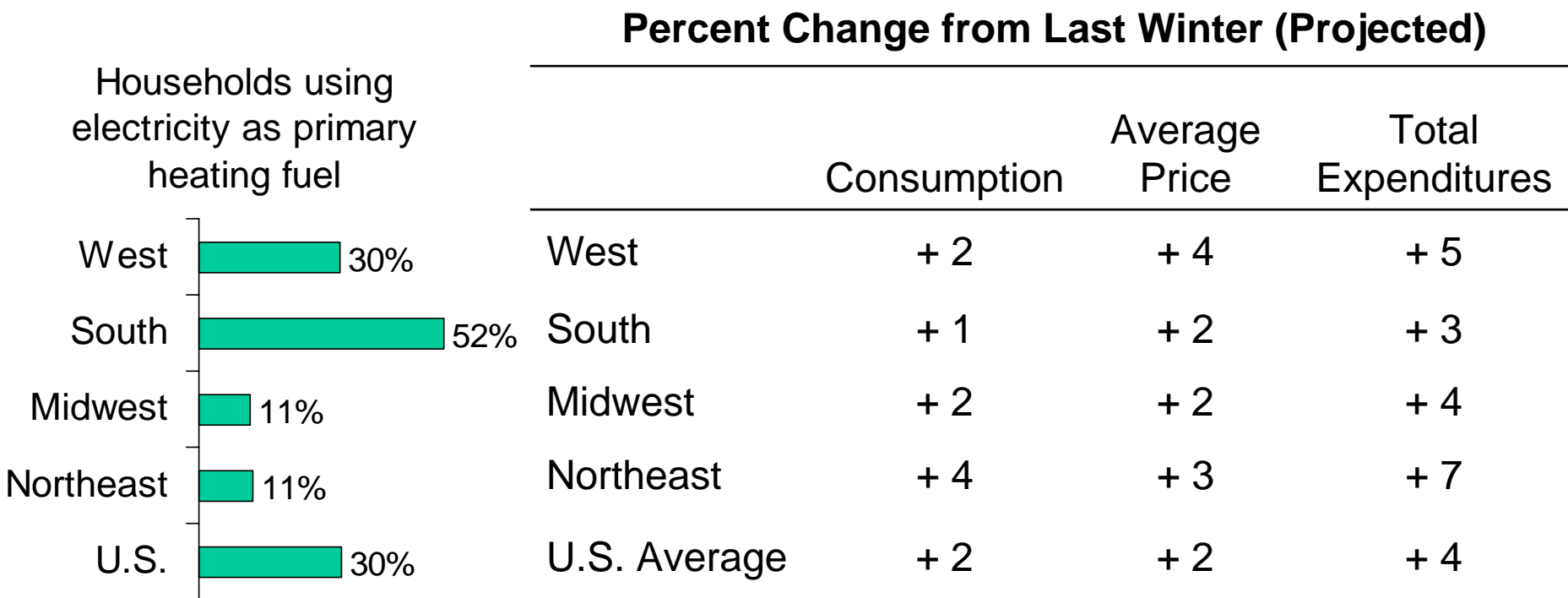
Colored bands represent "normal" range published in EIA, Weekly Petroleum Status Report, Appendix A.

# *Propane expenditures are projected to increase in all regions.*

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# *Winter electricity expenditure increases are expected to be smaller than other fuels.*



## *Wrap up:*

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- **On average, U.S. households will pay about \$88 (10%) more for heating this winter.**
- **Higher expenditures are driven by higher unit prices and weather-related increases in consumption.**
- **Under the baseline forecast, natural gas expenditures could be about \$78 (10%) higher for the average U.S. household this winter.**
- **Heating oil expenditures are projected to be about \$319 (22%) higher for the average U.S. household this winter. Electricity expenditures are forecasted to be \$32 (4%) higher the average U.S. household this winter.**
- **A colder winter would raise estimated expenditures somewhat from those of the base case weather scenario.**